



# SUBCOMMITTEE ON INFRASTRUCTURE AND RESOURCES

Interim Meeting  
Budget Topics

CHAIRMAN  
REPRESENTATIVE JAMES MORRIS



# AGENDA

## Department of Natural Resources

- Current Operating Budget
- Statutory Dedications
- Other Items/Issues



# NATURAL RESOURCES

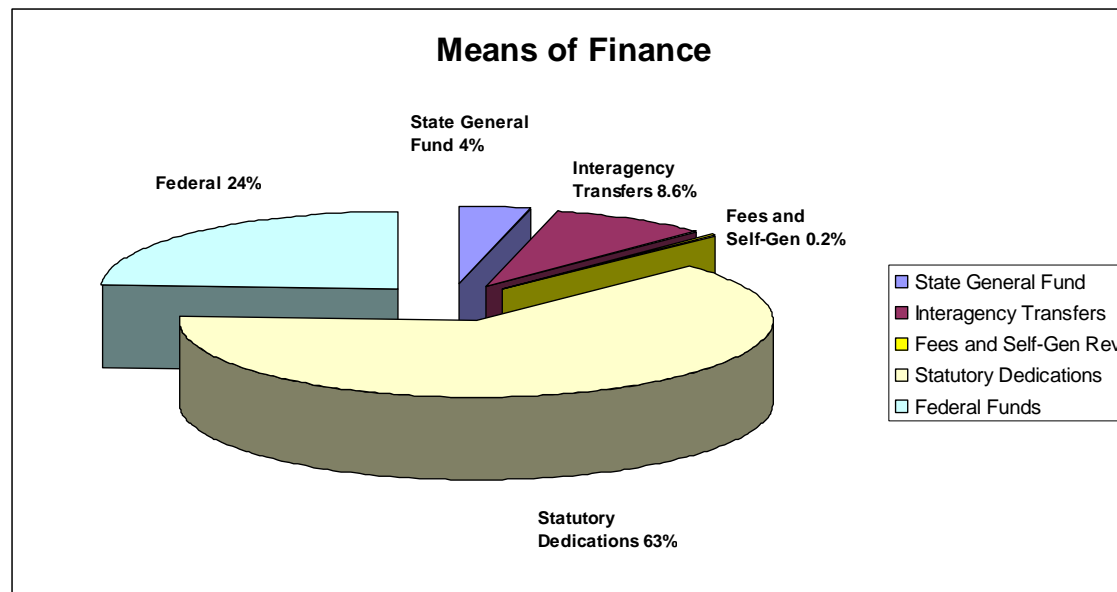
<b>Natural Resources</b> <b>Existing Operating Budget Comparison</b>					
Means of Finance	FY 2007-08 Actual Expenditures	FY 2008-09 Existing Operating Budget	FY 2009-10 Requested Budget	Change FY 2008-09 to FY 2009-10	Percent Change EOB to Request
State General Fund	\$8,330,845	\$6,787,408	\$14,721,889	\$7,934,481	116.9%
Interagency Transfers	\$12,873,713	\$15,025,251	\$12,288,542	(\$2,736,709)	-18.2%
Fees and Self-Gen Rev	\$81,602	\$345,875	\$365,875	\$20,000	5.8%
Statutory Dedications	\$91,076,927	\$110,099,630	\$164,770,287	\$54,670,657	49.7%
IEB	\$0	\$0	\$0	\$0	0.0%
Federal Funds	\$25,531,294	\$42,014,992	\$41,871,969	(\$143,023)	-0.3%
<b>TOTAL</b>	<b>\$137,894,381</b>	<b>\$174,273,156</b>	<b>\$234,018,562</b>	<b>\$59,745,406</b>	<b>34.3%</b>



# NATURAL RESOURCES

## CURRENT OPERATING BUDGET

- DNR has an existing operating budget of \$174.3 million.
- \$110.1 million or 63% of the total budget is funded through statutory dedications.





# NATURAL RESOURCES

## STATUTORY DEDICATIONS

### Oilfield Site Restoration Fund

**Oilfield Site Restoration Fund** – Constitution Article VII, §10.6, R.S. 30:86

- Revenue Source
  - 1 cent per barrel of oil and 1/5 cent per 1,000 cubic feet of gas extraction.
- Cap/floor stipulation
  - Fees are collected until the balance reaches a cap of \$10.0 million at which point they are suspended until the total fund drops to or below \$6.0 million.
- Allowable Usage
  - Restoration of orphan well sites (no responsible owner evident)
  - \$750,000 cap placed on administrative expenses.



# NATURAL RESOURCES

## STATUTORY DEDICATIONS

### Fishermen's Gear Compensation Fund

#### Fisherman's Gear Compensation Fund – R.S. 56:700

- Revenue Source
  - \$1,000 fee on each grantee of state right-of-way or lease for pipelines.
  - Cap/floor stipulation
    - Fees are collected whenever the fund balance drops below \$250,000.
- Allowable Usage
  - Compensate commercial fishermen for damage to property from underwater obstructions.
  - Fisherman must be commercially licensed and generate ½ of income from fishing.
  - Limited to a maximum of two claims per year with a \$5,000 limit on each.

### Underwater Obstruction Removal Fund

#### Underwater Obstruction Removal Fund – R.S. 30:101.9

- Revenue Source
  - \$250,000 transferred annually from the Fisherman's Gear Compensation Fund.
  - Periodic non-recurring, one-time deposits from federal fund sources.
- Allowable Usage
  - Provides for the removal and inventory of underwater obstructions.





# NATURAL RESOURCES

## STATUTORY DEDICATIONS

### Coastal Protection and Restoration Fund

**Coastal Protection and Restoration Fund** – Constitution Article VII, Section 10.2, R.S. 49:213.7

- Revenue Source
  - The state collects mineral revenues from royalties, bonuses and severance taxes. Of the total collections, the following amounts are deposited into the Coastal Protection and Restoration Fund in accordance with the Constitution:
    - The first \$5 million collected.
    - The \$10 million between \$600 million and \$610 million.
    - The \$10 million between \$650 million and \$660 million.
  - In the event that the constitutional triggers are not reached (\$600 million and \$650 million), 2% of the mineral revenues shall be deposited into the fund (estimated \$7 million - \$9 million).
  - Future federal revenues generated from Outer Continental Shelf oil and gas activity.
  - Cap/floor stipulation
    - Collections are suspended in the event an unencumbered balance of \$500 million exists in the fund.
- Allowable Usage
  - Conserve and restore Louisiana's vegetated wetlands.
  - Coastal Protection.
  - Flood Control.



# NATURAL RESOURCES

## STATUTORY DEDICATIONS

### Mineral Resources Operations Fund

#### Mineral Resources Operations Fund – R.S. 30:136.3

- Revenue Source
  - Deposit of \$1.6 million annually from court awarded judgments associated with royalty income and income from issuance of seismic permits for state water bottoms.
  - 10% bonus payments from monthly lease sales.
  - Proceeds from issuance of permits for seismic activities on state water bottoms.
- Allowable Usage
  - Administration and operation of the Office of Mineral Resources

### Coastal Resources Trust Fund

#### Coastal Resources Trust Fund – R.S. 49:214.40

- Revenue Source
  - Application and other fees for coastal use permits and related activity.
- Allowable Usage
  - Funds the operations of the Coastal Management program at both the state and local levels.





# NATURAL RESOURCES

## OTHER ISSUES

- Overview of the integration of Coastal Protection and Restoration Activities.
- Projections for state match requirements on funds related to federal supported coastal projects.
- Overview of current projects and use of prior year surplus appropriations for coastal restoration and protection.
- Update on current year oil and gas production.



## NATURAL RESOURCES

### **SALARIES/ POSITIONS**

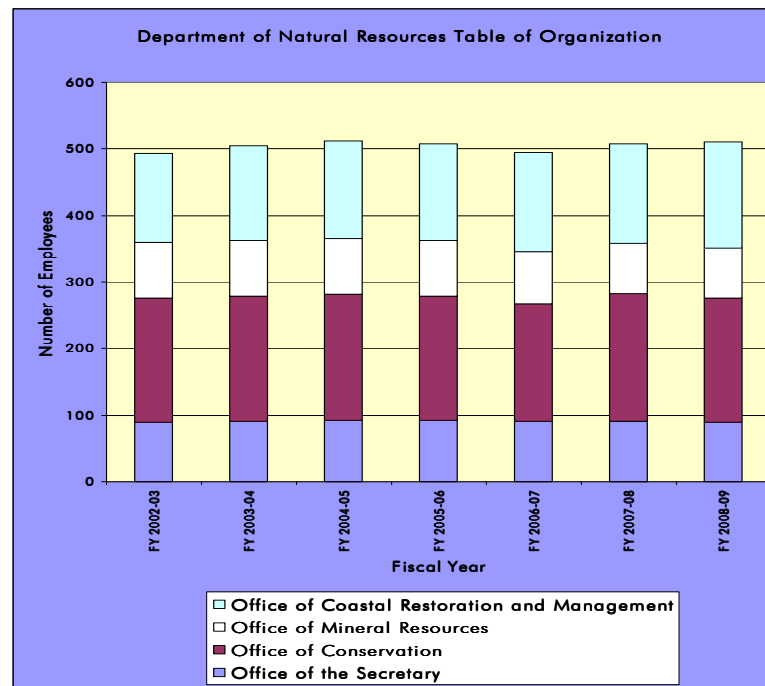
- The current year on-staff personnel at DNR require \$29.98 million in salaries and \$8.6 million in related benefits.
- Total Salaries and Related Benefits = \$38.6 million, or 22.1% of the total operating budget.
- Current average salary = \$60,208
- 510 authorized positions (500 classified, 10 unclassified).
- As of 2/4/09, the department had 12 vacant positions.



# NATURAL RESOURCES

## AUTHORIZED POSITION HISTORY

	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Office of the Secretary	90	91	93	92	91	91	89
Office of Conservation	186	188	189	187	176	192	187
Office of Mineral Resources	84	84	84	83	79	75	75
Office of Coastal Restoration and Management	133	142	146	146	149	150	159
<b>TOTAL POSITIONS</b>	<b>493</b>	<b>505</b>	<b>512</b>	<b>508</b>	<b>495</b>	<b>508</b>	<b>510</b>





# NATURAL RESOURCES

## TRAVEL

The Department of Natural Resources has \$465,751 budgeted for travel in the current fiscal year. This is 0.27% of its total budget.

Type of Travel	FY 08-09 Budget
In-State Administrative	\$21,150
In-State Conference/Convention	\$51,978
In-State Field Travel	\$147,347
In-State Board Members	\$11,500
In-State Meal Reimbursements	\$2,500
<u>In-State IT Travel/Training</u>	<u>\$1,500</u>
<b>Total In-State Travel</b>	<b>\$235,975</b>
Out-of-State Administrative	\$79,976
Out-of-State Conference/Convention	\$92,195
Out-of-State Field Travel	\$56,081
Out-of-State Board Members	\$524
Out-of-State Meal Reimbursements	\$0
<u>Out-of-State IT Travel/Training</u>	<u>\$1,000</u>
<b>Total Out-of State Travel</b>	<b>\$229,776</b>
<b>TOTAL TRAVEL</b>	<b>\$465,751</b>

This data is as of 11/1/08, as included in the department's budget request document. Changes have occurred since that point in time.